

Chief of Procurement

5 December 1951

Advisor for Management

Procurement Procedures

1. In conducting the initial survey of your Office to determine if a punch card procedure should be installed for the maintenance of stock and property records the following came to the attention of this Office and are forwarded for your consideration and action:

a. The system of assigning a block of requisition numbers to each Branch Account is evidently of value to each Accountable Officer. However, insofar as the procurement and audit activities are concerned it is felt that the procedure creates some hazards, in that it is a tedious job for the auditors to account for all requisitions of a specific warehouse account. The warehouse activities are maintaining voluminous duplicate logs as well as several file cabinets of unused pre-numbered log sheets. Therefore, it is felt advisable that your Office have all requisitions, whether they be for stock or non-stock items, flow into the [REDACTED] where they will be logged and assigned a procurement voucher number which will run in numerical sequence for each of the supply and procurement activities individually. This would necessitate the referral of all intra-Agency requests for information pertaining to requisitions to the [REDACTED]. By referring to the original requisition number (block number) in the requisition log, the [REDACTED] could determine where the requisition was forwarded and what its voucher number is, and perform the necessary follow-up. This type of procedure would give the auditors a ready means of accounting for all requisitions of a specific procurement activity, would eliminate the voluminous and duplicate requisition logs, thus replacing them with logs which would contain only those requisitions with which each activity is concerned and would eliminate the many file drawers of unused pre-numbered log sheets maintained by the various supply and purchase activities.

b. The practice of treating commodity classes as accounts leads to confusion, in that when referring to the stock used by a Branch Account one has to define its difference to that of a warehouse account. For example, when speaking of "account 8's account 1 material", unless one is well versed in the meaning of supply accounts, the matter becomes confused. Perhaps it

Document No. 602
NO CHANGE in Class. ☒
☒ DECLASSIFIED
Class. CHANGED TO: TS S C
DDA Memo, 4 Apr 77
Auth: DDA REG 77/2783
Date: 22 Feb 78 By: CA

would be better to consider the storage and issue of stock as an account for accountability purposes and identify each commodity category as a class with sub-classes as necessary. In this way when a class of stock and an account were being referred to, one wouldn't become confused with the commodity classification and the accountability classification.

c. In treating the stock and accountable records separately the status of any individual or group of commodity classes is available only through several sources. This Office feels that the stock and accountable records for each commodity class should be combined. This would centralize information of each commodity class and would facilitate the conversion of the manual method of stock accounting to the punch card method. In fact, it is recommended that the warehouse activities be confined to receiving, storage and issue thus being relieved of stock record manipulations.

d. The classification of stock items and assignment of stock numbers has not been completed. It is impracticable if not impossible to apply the punch card system to stock accounting unless each item is properly classified and a stock number applied. In fact your present system is encountering difficulty in posting such items. And in some cases, one component of the Agency is referring to an item as one thin while some other component is recording it by a different nomenclature.

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e. Follow-up of Purchase Orders is done by the [REDACTED] while follow-up of contracts is done by the [REDACTED]. It is believed that the [REDACTED] should follow-up internal matters only, that is, they should follow-up requisitions, and should not be concerned with follow-up where it involves a vendor, whether the vendor be another Government Agency or a commercial concern. Therefore, it is requested that your Office consider returning the Purchase Order Files to [REDACTED]. This would result in the purchase agent having full control of matters which he negotiates and place the follow-up under the jurisdiction of those who are in a position to exert the most pressure on vendors, thus resulting in better service.

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f. The system of establishing a sub-account for items that are to be held aside for the use of a particular Branch Account necessitates the separate storage of the same item or commodity class. This is the case of account 1-a. This Office feels that this practice should be discontinued and an allocations system should take its place. Such a system would eliminate duplicate

recordkeeping and would necessitate the transfer of that personnel concerned with allocating material from other components of the Agency to the Procurement Office.

2. This Office will appreciate your reaction to the above and request that you notify us of any action taken, or any further action you may wish us to take.


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